

DATE IN 4-29-11	SUSPENSE	ENGINEER DB	LOGGED IN	TYPE NSL	APP NO. 1112430009
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ABOVE THIS LINE FOR DIVISION USE ONLY

# NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



Cimmaron  
Interpreted 3rd Comma #1  
6378

## ADMINISTRATIVE APPLICATION CHECKLIST 30-015-38979

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

### Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☒ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify \_\_\_\_\_

RECEIVED OOD  
2011 APR 29 P 1:44

### [2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO  
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

### [3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

James Bruce

Print or Type Name

Signature

Attorney

Title

Date

jamesbruc@aol.com

e-mail Address

4/29/11

**JAMES BRUCE**  
ATTORNEY AT LAW

POST OFFICE BOX 1056  
SANTA FE, NEW MEXICO 87504

369 MONTEZUMA, NO. 213  
SANTA FE, NEW MEXICO 87501

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(505) 660-6612 (Cell)  
(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

April 29, 2011

David K. Brooks  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Dear Mr. Brooks:

Pursuant to Division Rule NMAC 19.15.15.13, Cimarex Energy Co. of Colorado applies for approval of an unorthodox gas well location in the Bone Spring formation for the following well:

<u>Well:</u>	Intrepid 3 Fed. Com. Well No. 1
<u>Surface location:</u>	250 feet FNL & 990 feet FWL §3
<u>Penetration point in Bone Spring:</u>	262 feet FNL & 943 feet FWL §3
<u>Beginning of producing interval:</u>	356 feet FNL & 884 feet FWL §3
<u>Bottom hole location:</u>	660 feet FNL & 1650 feet FWL §4
<u>Well unit:</u>	Lot 4 §3 and Lots 1-3 §4-19S-30E, Eddy County, New Mexico

The well will be directionally drilled to test the Bone Spring formation (South Leo-Bone Spring Pool), which is spaced on statewide rules, with 40 acre spacing and wells to be located no closer than 330 feet to a quarter-quarter section line. A Form C-102 is attached hereto as **Exhibit A**.

The unorthodox location is due to potash and topographic reasons. The well is located just to the north of open mine workings, and must remain one-half mile from them. **Exhibit B**. Therefore, the location has to be in the northern part of Lot 4 of Section 3. The well would have been placed 330 feet from the north line, but a pipeline required the well to be moved slightly north of that location. **Exhibit C**

Attached as **Exhibit D** is a land plat showing that the affected offset operator is Mewbourne Oil Company. Notice has been given as shown on **Exhibit E**.

Very truly yours,

  
James Bruce

Attorney for Cimarex Energy Co. of Colorado

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240

DISTRICT II  
1301 W. Grand Avenue, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised July 16, 2010

Submit one copy to appropriate  
District Office

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code 37920	Pool Name Leo; Bone Spring, S
Property Code	Property Name INTREPID "3" FEDERAL COM	Well Number 1
OGRID No. 162683	Operator Name CIMAREX ENERGY CO. OF COLORADO	Elevation 3445'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	3	19 S	30 E		250'	NORTH	990'	WEST	EDDY

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	4	19 S	30 E		660'	NORTH	1650'	WEST	EDDY
Dedicated Acres 161.53	Joint or Infill	Consolidation Code P	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

**PROPOSED BOTTOM HOLE LOCATION**  
Lot - N 32°41'41.58"  
Long - W 103°58'48.64"  
NMSPCE- N 616710.187  
E 649977.781  
(NAD-83)

**SURFACE LOCATION**  
Lot - N 32°41'45.561"  
Long - W 103°57'54.603"  
NMSPCE- N 617128.7  
E 654594.3  
(NAD-83)

**OPERATOR CERTIFICATION**  
I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unEDDysed mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

4/27/2011  
Signature \_\_\_\_\_ Date \_\_\_\_\_  
Zeno Farris  
Printed Name \_\_\_\_\_  
zfarris@cimarex.com  
Email Address \_\_\_\_\_

**SURVEYOR CERTIFICATION**  
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

SEP 16 2010  
Date Surveyed \_\_\_\_\_  
Signature & Seal of Professional Surveyor \_\_\_\_\_  
Certificate No. Gory L. Jones 7977  
BASIN SURVEYS 23360

EXHIBIT **A**

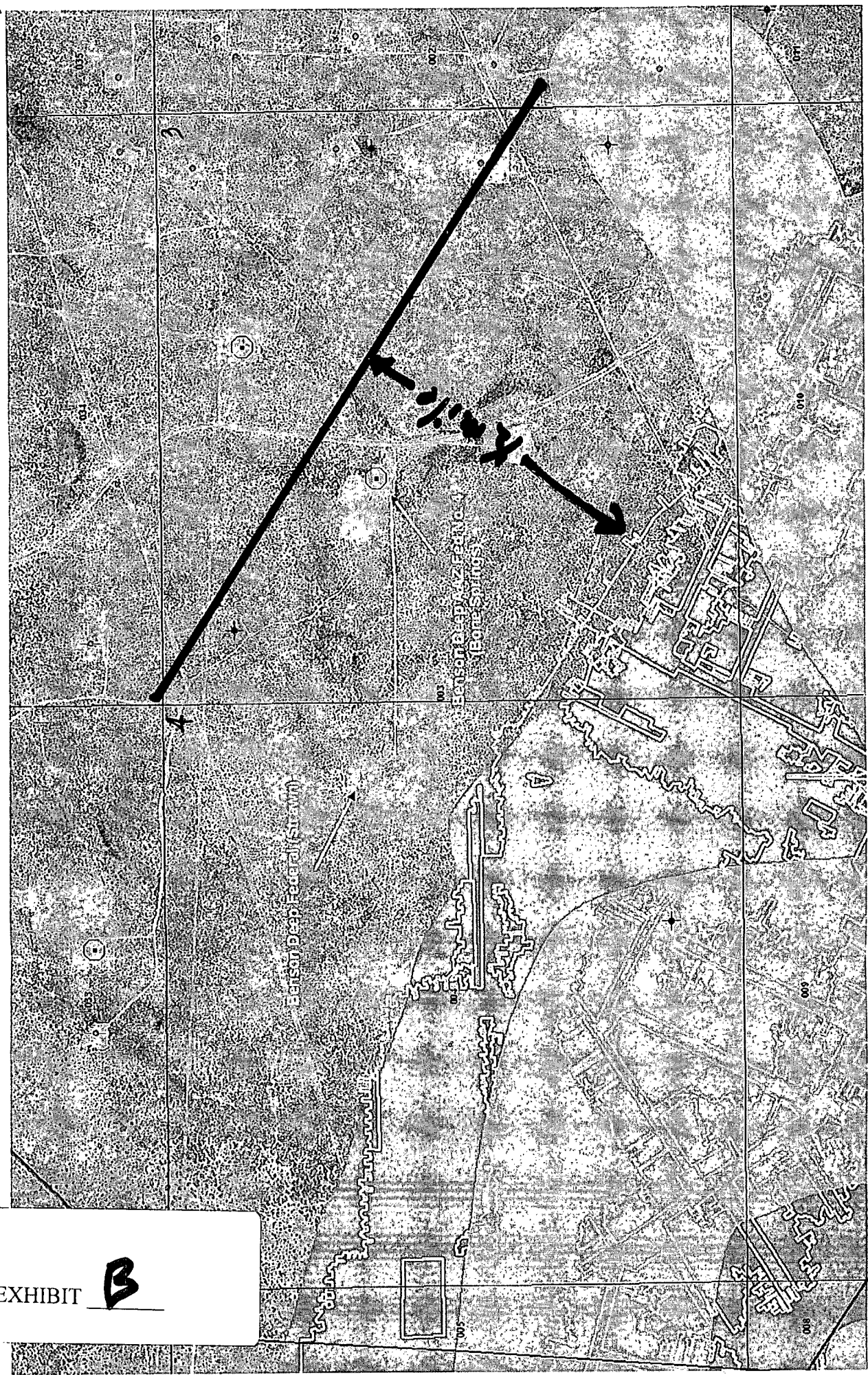
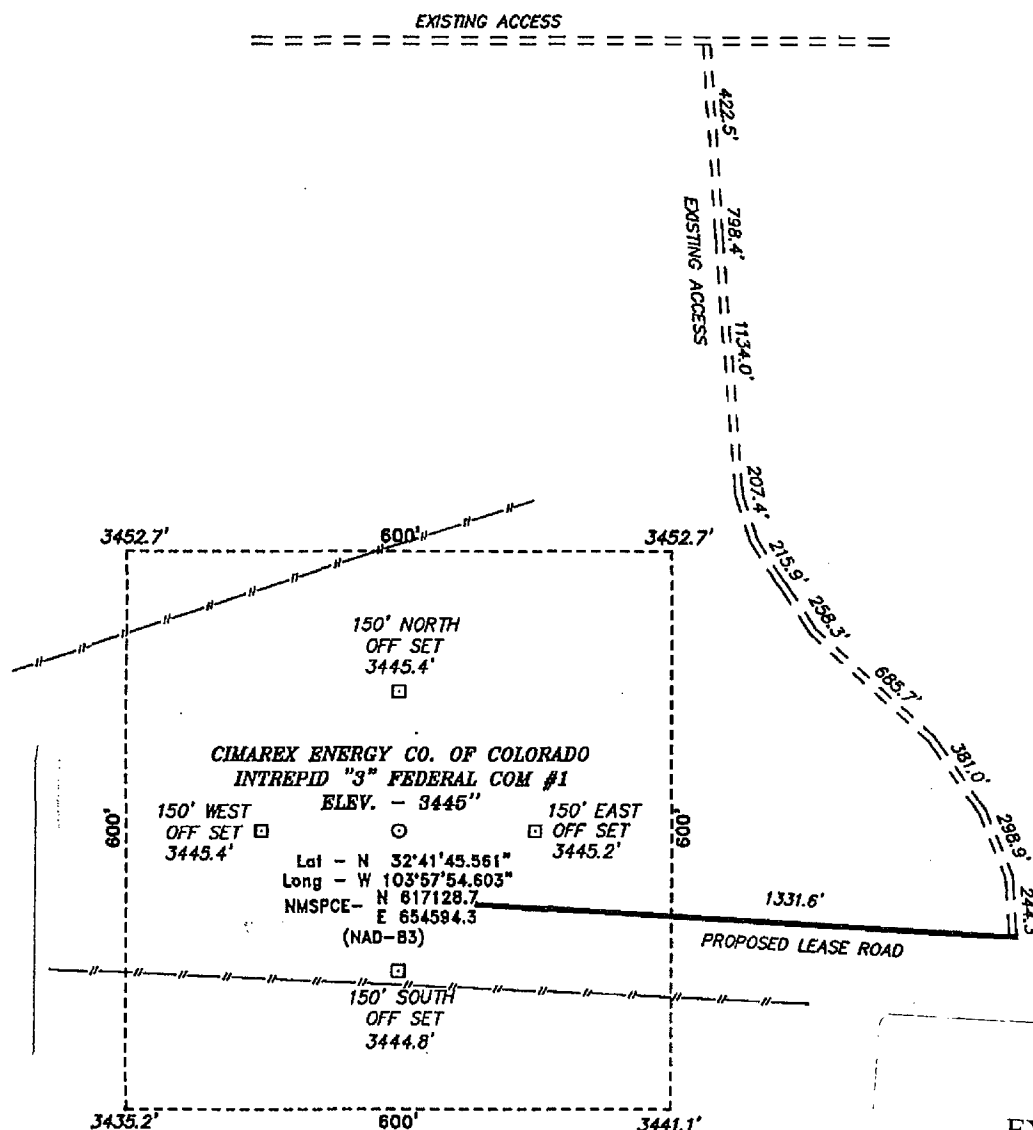


EXHIBIT **B**

SECTION 3, TOWNSHIP 19 SOUTH, RANGE 30 EAST, N.M.P.M.,  
EDDY COUNTY, NEW MEXICO.



Directions to Location:

FROM THE JUNCTION OF DUVAL ROAD, TURN EAST  
ON GRUBBS ROAD FOR 1.1 MILES, TURN SOUTH ON  
EXISTING LEASE ROAD FOR 0.9 MILES TO PROPOSED  
LEASE ROAD.

**BASIN SURVEYS** P.O. BOX 1786—HOBBS, NEW MEXICO

W.O. Number: 23360 Drawn By: B. NIXON

Date: 09-22-2010 Disk: BJN 23360

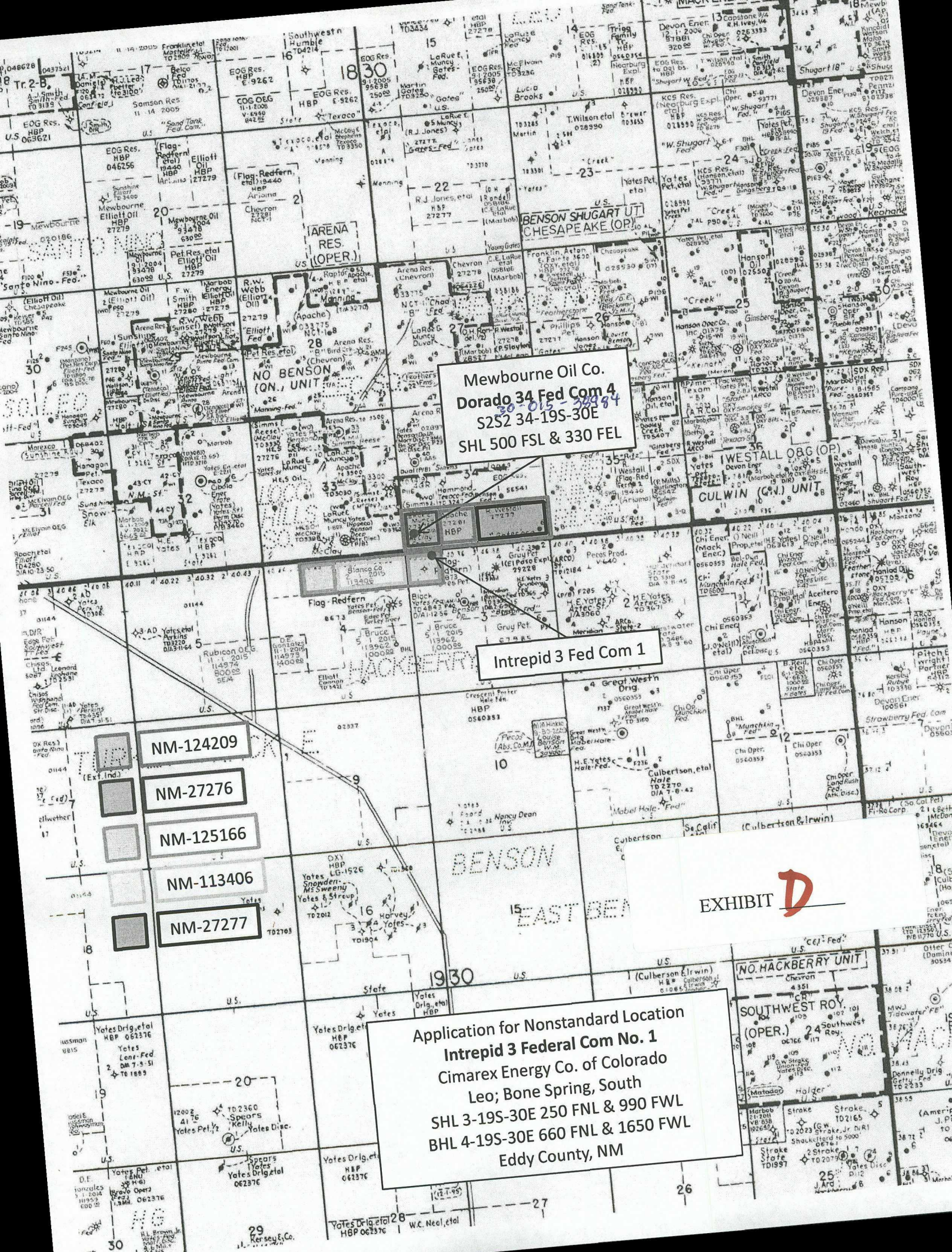
**CIMAREX ENERGY CO. OF COLORADO**

REF: INTREPID "3" FEDERAL COM #1 / WELL PAD TOPO

THE INTREPID "3" FEDERAL COM #1 LOCATED 250'  
FROM THE NORTH LINE AND 990' FROM THE WEST LINE OF  
SECTION 3, TOWNSHIP 19 SOUTH, RANGE 30 EAST,  
N.M.P.M., EDDY COUNTY, NEW MEXICO.

Survey Date: 09-20-2010 Sheet 1 of 1 Sheets





Mewbourne Oil Co.  
Dorado 34 Fed Com 4  
S2S2 34-19S-30E  
SHL 500 FSL & 330 FEL

Intrepid 3 Fed Com 1

- NM-124209
- NM-27276
- NM-125166
- NM-113406
- NM-27277

Application for Nonstandard Location  
Intrepid 3 Federal Com No. 1  
Cimarex Energy Co. of Colorado  
Leo; Bone Spring, South  
SHL 3-19S-30E 250 FNL & 990 FWL  
BHL 4-19S-30E 660 FNL & 1650 FWL  
Eddy County, NM

EXHIBIT D



**JAMES BRUCE**  
ATTORNEY AT LAW

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(505) 982-2151 (Fax)

[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

April 29, 2011

Certified Mail - Return Receipt Requested

To: Persons On Exhibit 1

Ladies and gentlemen:

Cimarex Energy Co. of Colorado has filed an application with the New Mexico Oil Conservation Division seeking an unorthodox oil well location in Lot 4 of Section 3, Township 19 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. A copy of the application is enclosed. You offset the well. If you object to the application, you must notify the Division in writing no later than 20 days from the date of this letter (the Division's address is 1220 South St. Francis Drive, Santa Fe, New Mexico 87505). Failure to object will preclude you from contesting this matter at a later date.

Very truly yours,



James Bruce

Attorney for Cimarex Energy Co. of Colorado

EXHIBIT E



EXHIBIT A

Mewbourne Oil Company  
Suite 1020  
500 West Texas  
Midland, Texas 79701

## Brooks, David K., EMNRD

---

**From:** jamesbruc@aol.com  
**Sent:** Wednesday, May 04, 2011 12:39 PM  
**To:** Brooks, David K., EMNRD  
**Subject:** Re: Cimarex - Intrepid 3 Fed Com #1 - NSL Application

Will do.

-----Original Message-----

**From:** Brooks, David K., EMNRD, EMNRD <david.brooks@state.nm.us>  
**To:** jamesbruc <jamesbruc@aol.com>  
**Sent:** Wed, May 4, 2011 11:55 am  
**Subject:** Cimarex - Intrepid 3 Fed Com #1 - NSL Application

Dear Jim

Based on the footages you have indicated for the penetration point, it seem that this location encroaches (diagonally) toward Unit N, as well as Unit M of Section 34. Your land plat shows Unit N as under a separate lease, w/ Apache shown as lessee. We shown no wells in either Unit M or N, and Mewbourne's Dorado 34 Fed Com #4 is not in our system. Presumably it has not yet gotten BLM approval. However, for that reason, there is no "division designated operator." Accordingly, it would seem notice is needed to the operating rights owner in Unit N, be that Apache or someone else.

Sincerely

David K. Brooks

JAMES BRUCE  
Attorney at Law  
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[jamesbruc@aol.com](mailto:jamesbruc@aol.com)

DELIVER TO: David K. Brooks

COMPANY: Oil Conservation Division

CITY: Santa Fe, New Mexico

FAX NUMBER: (505) 476-3462

PAGES: ~~2~~<sup>3</sup> (including cover sheet)

DATE: 5/6/11

MEMO:

CONFIDENTIALITY NOTICE

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**JAMES BRUCE**  
ATTORNEY AT LAW

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[jamesbruce@aol.com](mailto:jamesbruce@aol.com)

May 6, 2011

David Brooks  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

Re: Cimarex/Intrepid 3 Fed. Com. Well No. 1 unorthodox llocation

Dear David:

Regarding your e-mail of May 4th, I re-checked the records. Enclosed is a serial register of the federal records, showing that the E $\frac{1}{2}$ SW $\frac{1}{4}$  §34-18S-30E is leased to Cimarex (the land plat attached to the application was outdated). Therefore, no additional notice is due.

Very truly yours



James Bruce

Attorney for Cimarex Energy Co. of Colorado

**DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
CASE RECORDATION  
(MASS) Serial Register Page**

Run Time: 02:48 PM

Page 1 of 1

Run Date: 05/06/2011

01 12-22-1987;101STAT1330;30USC181 ET 8E

Total Acres

Serial Number

Case Type 312021: O&amp;G LSE COMP PD-1987

80.000

NMNM-- - 124209

Commodity 459: OIL &amp; GAS L

Case Disposition: AUTHORIZED

Serial Number: NMNM-- - 124209

Name &amp; Address

Int Rel

% Interest

CIMAREX ENERGY CO

600 N MARIENFELD ST STE 600

MIDLAND TX 797014405

LESSEE

100.0000000

Serial Number: NMNM-- - 124209

Mer Twp Rng Sec

STyp

SNr Suff Subdivision

District/Field Office

County

Mgmt Agency

23 01809 0300E 034

ALIQ

E2SW

CARLSBAD FO

EDDY

BUREAU OF LAND MGMT

Serial Number: NMNM-- - 124209

Act Date

Code

Action

Action Remark

Pending Office

12/04/2009

387

CASE ESTABLISHED

201001014;

01/20/2010

143

BONUS BID PAYMENT RECD

\$160.00;

01/20/2010

191

SALE HELD

01/20/2010

247

BID RECEIVED

\$136000.00;

01/21/2010

143

BONUS BID PAYMENT RECD

\$135840.00;

02/22/2010

237

LEASE ISSUED

02/23/2010

974

AUTOMATED RECORD VERIF

MJD

03/01/2010

496

FUND CODE

05;145003

03/01/2010

530

RLTY RATE - 12 1/2%

03/01/2010

868

EFFECTIVE DATE

12/21/2010

140

ASGN FILED

MILES RON/CIMAREX 2,1

02/23/2011

139

ASGN APPROVED

EFF 01/01/11;

02/23/2011

974

AUTOMATED RECORD VERIF

ANN

02/29/2020

763

EXPIRES

Serial Number: NMNM-- - 124209

Line Nr

Remarks

0001

STIPULATIONS ATTACHED TO LEASE;

0002

NM-11-LN SPECIAL CULTURAL RESOURCE

0003

SENM-S-1 POTASH STIPULATION

0004

SENM-S-19 PLAYAS AND ALKALI LAKES

0005

SENM-S-22 PRAIRIE CHICKENS